

Message Text

CONFIDENTIAL

PAGE 01 KINSHA 08619 090850Z

ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 COME-00 EB-08 LAB-04 SIL-01 /082 W

-----026266 090859Z /20

R 081600Z SEP 77

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC PRIORITY 5677

INFO AMEMBASSY BRUSSELS

AMCONSUL LUBUMBASHI PRIORITY

C O N F I D E N T I A L KINSHASA 8619

E.O. 11652: GDS

TAGS: CG ELAB PINT

SUBJ: LABOR UNREST IN ZAIRE: AN UPDATE

REF: A. KINSHASA 8162, B. KINSHASA 8469

1. SUMMARY: STRIKE ACTIVITY HAS TAPERED OFF IN KINSHASA BUT APPARENTLY HAS SPREAD TO SHABA. SHORTLY AFTER A SERIES OF CONCILIATORY

GESTURES REPORTED REFTEL A, THE GOZ ADOPTED A TOUGHER STANCE TOWARD THE KINSHASA STRIKES AND BLASTED THE NATIONAL TRADE UNION (UNTZA) FOR FAILING TO CONTAIN LABOR UNREST. THE GOZ NEVERTHELESS APPEARS RESIGNED TO PUBLIC SECTOR WAGE INCREASES WHICH WILL MAKE COMPLIANCE WITH THE IMF STABILIZATION PLAN MORE DIFFICULT. END SUMMARY.

2. THE LABOR SCENE IN KINSHASA IS NOW RELATIVELY QUIET. STRIKING WORKERS ARE BACK ON THE JOB, BUT THE GOZ IS NOT YET OUT OF THE WOODS. NEGOTIATIONS CURRENTLY UNDER WAY IN MANY FIRMS COULD, IF UNSUCCESSFUL, TRIGGER RENEWED LABOR UNREST. AND PRES MOBUTU REVEALED IN HIS SEPT 4 SPEECH (REFTEL B) THAT LABOR UNREST HAS SPREAD TO SHABA WITH A STRIKE BY GECAMINES COPPER WORKERS IN LIKASI.

3. TWO U.S. FIRMS IN KINSHASA WERE AFFECTED BY LABOR AGITATION
CONFIDENTIAL

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PAGE 02 KINSHA 08619 090850Z

LAST WEEK. ESB (RAYOVAC) QUICKLY GRANTED A 25 PCT WAGE BOOST PLUS INCREASES IN TRANSPORTATION AND HOUSING ALLOWANCES OF 40 PCT. GOODYEAR WORKERS WERE OUT ON STRIKE FOR A WEEK, BUT HAVE NOW RETURNED TO WORK TO NEGOTIATE WITH MANAGEMENT. GOODYEAR HEADQUARTERS IN AKRON REPORTEDLY IS DETERMINED TO PAY ITS ZAIRIAN WORKERS A "LIVING WAGE", WHICH WILL TRANSLATE INTO APPROX A 60 PCT INCREASE FOR THE LOWEST PAID WORKERS.

4. THE GOZ HAS NOW ADOPTED A TOUGHER STANCE TOWARD THE STRIKES. SHORTLY AFTER LIFTING THE WAGE FREEZE AND BAN ON COLLECTIVE BARGAINING REPORTED REFTEL A, THE EXECUTIVE COUNCIL BLASTED THE UNTZA FOR FAILING TO CONTAIN LABOR UNREST AND THREATENED TO ARREST THOSE UNION OFFICIALS GUILTY OF ENCOURAGING STRIKES OR "UNREASONABLE" WAGE DEMANDS. AS REPORTED REFTEL B, MOBUTU RETURNED TO THIS THEME IN HIS SEPT 4 SPEECH BY EQUATING STRIKES WITH "ECONOMIC SABATAGE".

5. UNTZA OFFICIALS ATTRIBUTE THE EXECUTIVE COUNCIL ATTACK TO DEPUTY DIRECTOR OF THE PRESIDENCY BOKANA. AS CHAIRMAN OF THE BOARD OF THE BANQUE COMMERCIALE DU ZAIRE, BOKANA REPORTEDLY WAS CHARGED BY MOBUTU WITH RESOLVING THE BANK STRIKE TO THE GOVT'S SATISFACTION. WHEN HE FAILED TO PERSUADE BANK EMPLOYEES TO RETURN TO WORK IN EXCHANGE FOR TOKEN CONCESSIONS, BOKANA ALLEGEDLY SOUGHT TO SET UP THE UNTZA LEADERS AS SCAPEGOATS. IN RESPONSE, UNTZA LEADERS DRAFTED A MEMO TO MOBUTU EXPLAINING THEIR POSITION, AND WERE PLEASED TO LEARN THAT URBAN COMMISSIONER SAKOMBI HAD ALSO WRITTEN TO THE PRESIDENT DEFENDING THE UNTZA'S HANDLING OF THE STRIKE.

6. THE EXECUTIVE COUNCIL ATTACK HAS REVIVED UNION FEARS THAT MOBUTU MIGHT MAKE GOOD HIS THREAT OF LAST YEAR TO DISOLVE THE UNTZA AND TRANSFER ITS FUNCTIONS TO THE DEPT OF LABOR. THAT DEPT, IN FACT, HAS NOW BEEN GIVEN THE ORLE OF SUPERVISING NEGOTIATIONS

CONFIDENTIAL

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PAGE 03 KINSHA 08619 090850Z

BETWEEN UNTZA-LED WORKERS AND MANAGEMENT TO ASSURE THAT THE RESULTS ARE IN CONFORMITY WITH "LAW AND MPR DISCIPLINE." UNTZA OFFICIALS REMAIN HOPEFUL, HOWEVER, THAT THE DECLINE IN STRIKE ACTIVITY WILL STAVE OFF A GOZ MOVE AGAINST THEM.

7. THE GOZ APPARENTLY HAS COUPLED ITS TOUGHER LANGUAGE WITH ARRETS OF STRIKE LEADERS. A RELIABLE SOURCE AT THE BELGIAN EMBASSY HAS TOLD US THAT FIFTEEN EMPLOYEES OF THE BANQUE DE KINSHASA HVE BEEN ARRESTED FOR THEIR ROLE IN THE BANK STRIKE. ANOTHER SOURCE CLAIMS THAT SEVERAL HUNDRED STRIKERS HAVE BEEN IMPRISONED SINCE THE LABOR UNREST BEGAN. WE ARE NOT YET IN A POSITION TO CONFIRM THESE REPORTS.

8. DESPITE ITS HARDER LINE TOWARD THE STRIKERS, THE GOZ APPEARS RESIGNED TO WAGE INCREASES THROUGHOUT THE PUBLIC SECTOR, BUT APPARENTLY HOPES TO DELAY THEM AS LONG AS POSSIBLE. PLANNING COMMISSIONER MULUMBA HAS TOAL A HIGHLY RELIABLE EMBASSY SOURCE THAT THE GOZ HOPES TO MINIMIZE THE IMPACT OF PUBLIC SECTOR WAGE INCREASED ON THE 1977 BUDGET DEFICIT BY NOT GRANTING GOVT EMPLOYEES WAGE INCREASES UNTIL LATE NOV. ACCORDING TO MULUMBA, THE GOZ WILL BE PREPARED TO GRANT WAGE INCREASES AT THAT TIME OF 22 PERCENT.

9. COMMENT: MOBUTU'S EFFORTS PORTRAY THE GOZ RESPONSE TO LAOBR UNREST AS "DEMOCRATIC" RATHER THAN AUTHORITARIAN (REFTEL A), ALREADY MARRED BY HARSHER LANGUAGE AND REPORTS OF ARRESTS OF STRIKE LEADERS, MAY BE SEVERELY TESTED IN LIKASI. WORKERS THERE ENJOY THE REPUTATION OF BEING THE MOST AGGRESSIVE AND HIGHLY ORGANIZED IN ZAIRE. WHEN A STRIKE BY RAILROAD WORKERS IN LIKASI LAST YEAR WAS CRUSHED BY GOVT TROOPS, GECAMINES WORKERS REMAINED QUIET, PRESUMABLY BECAUSE THEY WERE PROTECTED FROM THE EROSION OF THEIR PURCHASING POWER BY COST OF LIVING ESCALATOR CLAUSES IN THEIR CONTRACTS. THESE CLAUSES HAVE SINCE BEEN DELETED IN CONJUNCTION WITH THE IMF STABILIZATION PLAN. GECAMINES WORKERS ARE UNLIKELY TO RESPOND FAVORABLY TO MOBUTU'S ASSERTION IN HIS SEPT 4 SPEECH THAT THEY WOULD NOT DEMAND HIGHER WAGES IF THEY UNDERSTOOD
CONFIDENTIAL

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PAGE 04 KINSHA 08619 090850Z

FULL EXTEND TO GECAMINE'S FINANCIAL INDEBTEDNESS TO THE GOZ. IF THE LIKASI STRIKE SPREADS TO THE LARGER GECAMINES OPERATIONS IN KOLWEZI AND LUBUMBASHI AND RESULTS IN WAGE INCREASES SIMILAR TO THOSE RECENTLY WON BY WORKERS IN KINSHASA, THE NEGATIVE IMPACT ON GOZ COMPLIANCE WITH THE IMF PLAN WOULD BE CONSIDERABLE. IT WILL BE RECALLED THAT THE IMF STANDBY IMPOSES A CEILING OF 165 MILLION ZAIRES FOR THE 1977 GOZ BUDGET DEFICIT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNION GOVERNMENT RELATIONS
Control Number: n/a
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Sent Date: 08-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KINSHA08619
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770326-1170
Format: TEL
From: KINSHASA
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770987/aaaacvgm.tel
Line Count: 144
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 KINSHASA 8162, 77 KINSHASA 8469
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1350908
Secure: OPEN
Status: NATIVE
Subject: LABOR UNREST IN ZAIRE: AN UPDATE
TAGS: ELAB, PINT, CG
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0172aa4a-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009